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Lack of Infrastructure a Significant Barrier to Housing Production

Sacramento – California Department of Housing and Community Development (HCD)

Acting Director Judy Nevis testified before the Assembly Committee on Housing and Community Development that lack of adequate infrastructure is a significant barrier to the production of housing, particularly housing affordable to California's workforce. Nevis appeared before the Committee to report on progress and impacts of the distribution of award funds from Proposition 46, the housing bond approved by voters in November 2002. The Administration had previously directed HCD to expedite the award of the funds which create homeownership, home rental and emergency shelter bed opportunities.

In her report Nevis noted that despite favorable market conditions and the award of more than \$1 billion in Proposition 46 funding, actual housing production is still lagging behind annual housing need. "Local governments are reluctant to accept new housing development when existing highways, streets, schools and other public services are already strained beyond capacity," Nevis stated. Nevis told the Committee that new and updated infrastructure, especially within urban areas where infill development is serving critical needs for affordable housing, will not only boost the local economy through the construction jobs that are generated, but it ensures housing is developed with the least

impact on critical open space and valuable agricultural lands.” Nevis concluded her comments by noting that during a year-long series of meetings with housing stakeholders, lack of adequate infrastructure was consistently cited as the major barrier to the production of more housing.

The California Department of Housing and Community Development (HCD) provides leadership, policies and programs to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. The Department also supports increasing the supply of housing, especially affordable housing and works to improve the State’s housing conditions and the health and safety of its residents. As the lead Housing Department, HCD is part of the State of California, Business, Transportation and Housing Agency.

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